

# NORTH ADAMS STATE BANK

WINTER 2009

URSA & CAMP POINT

SMALL ENOUGH TO KNOW YOU –

LARGE ENOUGH TO ACCOMMODATE ALL OF YOUR BANKING NEEDS

VOLUME 5 ISSUE 1

## Bank News

### North Adams State Bank Promotes Employee



North Adams State Bank is pleased to announce the promotion of Paul Bealor. As of January 2009 he is promoted to Assistant Vice President. He will assist with more IT management responsibilities. Congratulations to Paul!

### Unlimited FDIC Coverage

Beginning in December 2008 North Adams State Bank is participating in FDIC's Transaction Account Guarantee Program which means all transactional accounts are Fully Guaranteed by the FDIC of the Entire Amount in the account. Transactional accounts include checking accounts, NOW accounts as long as the interest paid is 0.50% or less and lawyer trust

accounts where interest does not accrue to the account owner. It does NOT include savings, money market or CD's. This coverage is in addition to the FDIC's general deposit insurance rules. This program is in effect through December 31, 2009.

community banking for the past 30 years.

Kent, his wife Lynn, and their three children reside on a farm in the Pike County area where he is active in a livestock and crop operation. He enjoys meeting with customers of North Adams State Bank and spending time with his family on their farm.

## Employee Highlight



This quarter we highlight Kent Turnbull who has been with North Adams State Bank for 13 years as Loan Officer and currently Vice President/Branch Manager at the Camp Point facility.

Kent graduated from Western Illinois University with a degree in Agri-Business. He furthered his education by becoming a Graduate of the IBA School of Banking in Carbondale, Illinois. Kent has enjoyed working in

BANK CLOSINGS  
Monday Feb 16 – Washington's  
Birthday  
Monday May 25 – Memorial Day

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## Credit Score: 8 Steps to Raising Your Score in a Year

First-time home buyers, especially young people, may have never seen their credit score or even considered their credit worthiness, but when they want to buy a home, that changes.

These days, a credit score of 700 is usually considered a good starting point for a home loan. However, FHA loans may be more lenient.

But the most important thing is to start immediately to establish, build or improve your credit.

Here is our One-Year plan for better credit that works for everyone, not just first-time homebuyers:

1 Go to [annualcreditreport.com](http://annualcreditreport.com) and look over your free annual report from each of the three credit reporting agencies. Look for errors. Then immediately take steps to correct them.

2 Pay your bills on time. You must never be late even once. One of the most common comments bill collectors hear from young borrowers is: I have the money, I just forgot to pay the bill. Stop forgetting. You must establish an ironclad history of paying your bills on time.

3 Work on getting your credit balances below 50 percent of your maximum credit limit. That raises your score. If your balances are below 30 percent, it raises your score again.

4 If you don't have a credit card, look into establishing a secured card. With a secured card, you send the card company a deposit and then they send you a credit card. You can only use the card for the amount on deposit. But when you get the card, you should use it. Buy something, and then make your payments perfectly.

5 Don't apply for a store account every time the clerk says you can save 10 percent. Each time you fill out an application, the company hits your credit report. Inquiries like these count against your credit. Don't make applications for credit unless you actually need it.

6 If you have unused credit accounts, don't close them if you are planning to apply for a mortgage. That can actually make your score drop.

7 During your credit improvement year, don't buy a car. Lenders don't want to see buyers committed to several large credit accounts. Never finance a car before you try to take a mortgage.

8 Plan to open three new credit accounts during your credit improvement year, even if they are secured accounts. Be sure to space your new accounts by three months. Use each account and pay each off COMPLETELY every month. This is the kind of credit management that improves your credit score AND teaches you how to manage credit.

In prosperity, our friends know us. In adversity, we know our friends.

John Churton Collins

## Tips for Collecting in a Tight Economy



In a tough economy where your sales number could be taking something of a hit, it's more important than ever to make sure your clients pay up. Here are a few ways to do it.

\* Stop offering credit. Ask your bank for a merchant agreement and take credit cards. Many businesses skip billing the customer directly and let the credit card company do it.

Explain to customers that you no longer carry accounts receivable and ask for a credit card number. Usually, you'll get it. If they won't give a credit card number, you can be pretty sure they won't pay you in 30 days either.

You might remind the customer that your previous credit terms called for payment within 30 days, but depending on the

closing date of their credit card account, they could get up to 60 days to pay without incurring interest. That is, if the closing date on their statement is the 15th and they buy from you on the 16th, the charge won't appear until the month-after-next's bill.

You still have to send an invoice, but the nice thing about it is that it will be a paid bill.

\* Offer a discount. If you don't ask for credit cards, you could give a two percent discount for payment within 10 days, 2/10 net 30 terms are common in many industries.

\* Get a billing system that alerts you to past-due invoices. Experts writing in Money magazine suggest numbering invoices according to the month they are charged. For February, that could be 2009-02-001 on the first invoice. Make an open accounts folder so you can easily see who hasn't paid.

Always send the bill immediately after the customer has received a service or after a product has been shipped.

\* Follow up on unpaid invoices as soon as the terms have expired. Call to say you missed getting their payment. Be nice. If the customer admits to being short right now, consider asking for a partial payment with the balance to follow in one or two months.

\* If a customer doesn't pay up in a few months, you could either give the account to a collection agency or decide on small claims court. Small claims court can take

several months, but it doesn't cost much to file, usually about \$45. If debtors don't pay the court within a certain period of time, the court can put a lien on their property.

A collection agency will probably get the money, but you will pay a third to a half of it to the agency.

\* When you will be issuing large invoices and need the money now, consider a factoring service. It will buy the invoice for a percentage of its value and send the money right away. Find a service at [factorscan.com](http://factorscan.com).

## Computer Tips



## Computer Phishing

Phishing scams are a way for unscrupulous individuals to obtain personal information in order to steal identities for financial gain. One of the most devious ways for these scammers to fool consumers is through a method called "phishing."

A phishing scam begins with email sent to unsuspecting consumers. These emails are designed to resemble legitimate emails from legitimate corporation so well that you are unable to recognize that it is phony. For example, one well-circulated email looks as if has been sent by the payment service PayPal. It includes the PayPal

logo and is designed to have the look and feel of a legitimate email sent by this company. It may include headers and footers that have the same information found in the emails actually sent by the company itself. The fraudulent email, however, will have links that, if clicked, will take you to a web page asking for your login information. This web page will also look the same as a legitimate page on the PayPal site. When you enter the information asked for, it will usually take you to an additional page that will ask for more information, including your social security number, bank account numbers, and passwords to other web sites. By entering this information, you are sending this personal data to identity thieves who can then use that information to obtain fraudulent credit cards, or to steal money from your credit card or bank accounts. It is estimated that almost 3 million Americans have fallen for these schemes, giving out their personal information as a result of a phishing email. And these types of attacks are increasing in number every month.

So how can you protect yourself from these types of scams? You should plan on treating every email as suspect unless you are 100 percent certain of its origin. In general, financial institutions will not send you an email requesting your personal information, login data, or passwords. If you receive an email stating that your account has been compromised or inactivated, simply close the email, and surf to that site yourself. Log in as you normally do and check the status of your

account that way. If you are able to log in successfully and find no changes to your account, notify the institution that you have received an email from them asking for personal information. If there is a problem with your account, you should receive a message when you log in using your usual login procedure. You can also bypass visiting the website and just pick up the phone. A quick call to the institution is the safest way to verify the status of your accounts.

**Get Your Money Fast**



If you are expecting a refund on your federal taxes, you probably want your money as soon as possible. The IRS offers some options for filing your return that can have your refund in your bank account in as soon as two weeks. Last year, 73 million taxpayers used e-file to speed their tax return processing, almost seven percent more than the year before. This year, the IRS expects a record number of individual returns will be filed electronically.

Using e-file makes sense for taxpayers who have simple returns with the standard deductions. Others may choose to take the time to consult a tax professional to ensure the

accuracy of their returns. If you do decide to use the speedier option, take some steps first to make sure you are filing your return properly.

First, be sure that you are actually getting a refund. Then you will need to get your paperwork in order-you'll need your W-2s and any other year-end statements. Once you've chosen to file using e-file, you can cut down your wait time for your refund by at least a week by choosing direct deposit of your refund. Last year, about 53 percent of all refunds were directly deposited.

The IRS offers the following time frames for receiving your refund:

Mail your return and opt for a paper check: 4-6 weeks  
 Mail your return and opt for direct deposit: 3-4 weeks  
 E-file and opt for a paper check: 3 weeks  
 E-file and opt for direct deposit: 2 weeks

**Spring is On Its Way!!!**



Before you know it the temperatures will be warming up and the grass will be growing. Now is the time to think about all of those spring projects. If you need funds for those projects, feel free to contact Kent, Paul or Jeff to see if we are able to help.

Useless Facts

It costs more to buy a new car today in the United States than it cost Christopher Columbus to equip and undertake three voyages to and from the New World.

Montana mountain goats will butt heads so hard their hooves fall off.

Q. If you were to spell out numbers, how far would you have to go until you would find the letter "A"?

A. One thousand



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